

Guide for State Review of Grant Recipients			
Name of Program Participant:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

Instructions: The state is required by section 104(e)(2) of the Act and 24 CFR 570.492 to conduct such reviews and audits of its recipients as may be necessary to determine compliance with applicable laws and Title I requirements. While the state is not required to have a specific system to conduct such reviews, it must demonstrate that such reviews have been conducted. This Exhibit is designed to evaluate the state's system and determine whether the state has conducted adequate reviews. A worksheet is included at the end of this Exhibit. If time permits, the HUD reviewer is expected to sample actual state reviews of recipients and complete the Exhibit worksheet. Completing the worksheet will serve to document the sampling results and assist in answering the Exhibit questions.

Questions:

A. OVERALL SYSTEM

1.

Does the state have a formally established/written process for conducting on-site reviews?	<input type="checkbox"/>	<input type="checkbox"/>
Yes No		
Describe Basis for Conclusion:		

2.

What means does the state have a means to communicate specific requirements and responsibilities to its recipients regarding the CDBG program?

Describe Basis for Conclusion:

3.

a. Describe the tools the state relies on in conducting such reviews and making its determinations for on-site monitoring of grant recipients.

Describe Basis for Conclusion:

b. Describe the tools the state relies on in conducting such reviews and making its determinations for in-house reviews of performance.

Describe Basis for Conclusion:

4.

a. At what phase(s) of the grant, or with what frequency, does the state indicate that it will perform on-site monitoring?

Describe Basis for Conclusion:

b. At what phase(s) of the grant, or with what frequency, does the state indicate that it will conduct in-house reviews of performance reports and other documentation?

Describe Basis for Conclusion:

B. ON-SITE REVIEW: SELECTION AND FREQUENCY

5.

Describe the process that the state uses for determining who, what, and when to monitor on-site.

[24 CFR 570.492(a)]

Describe Basis for Conclusion:

6.

Do the factors considered by the state appear to adequately ensure compliance with grant requirements?

☐

Yes

☐

No

Describe Basis for Conclusion:

7.

a. What percentage of grants from the fiscal years identified below has actually been monitored on-site to date?

FY	FY	FY	FY	FY
# Grants	# Grants	# Grants	# Grants	# Grants
# Monitored	# Monitored	# Monitored	# Monitored	# Monitored
0.00%	0.00%	0.00%	0.00%	0.00%

b. Does the number or percentage of reviews actually conducted deviate from the state's established schedule or process?

☐

Yes

☐

No

Describe Basis for Conclusion:

8.

Has every recipient (except those with planning-only grants or technical assistance set-aside funds) been visited at least once on-site before closeout?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

9.

Considering the state's process and any other additional information obtained, does the number and frequency of on-site monitoring reviews actually conducted seem reasonable?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

10.

a. Are there any compliance areas (i.e., national objectives, eligibility, financial management, civil rights, environment, labor standards, relocation/acquisition, citizen participation, or other) that are consistently NOT reviewed during on-site monitoring (e.g., the state rarely or never looks at these areas for any of its recipients)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

b. If the answer to “a” above is “yes,” which areas?

Describe Basis for Conclusion:

c. If the answer to “a” above is “yes,” what is the state’s rationale for not reviewing these on-site?

Describe Basis for Conclusion:

d. If the answer to “a” above is “yes,” does the state employ some other review process to determine grant compliance in these areas?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	N/A

Describe Basis for Conclusion:

11.

If the answer to question “10.a” is “yes,” based on your review and discussions with the state, does the state’s decision NOT to review an area or areas on-site and to rely instead on other methods provide a reasonable assurance of recipient compliance in that area or areas?

<input type="checkbox"/>	<input type="checkbox"/>
Yes	No

Describe Basis for Conclusion:

C. ON-SITE REVIEW: DOCUMENTATION AND FOLLOW-UP

12.

Based on your review of state files, does the state maintain adequate records to document that it has conducted reviews of recipients?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

13.

a. Do the state's files indicate what compliance areas and documentation were reviewed at the local level?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

b. Does the state draw definitive conclusions about recipient performance in these areas?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

c. Does the documentation support the state's conclusions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

14.

Describe the method(s) the state uses to transmit the results of on-site monitoring to its local government recipients.

Describe Basis for Conclusion:

15.

Does the state issue timely monitoring letters to recipients? (Include in the “Basis for Conclusion” below, the state’s timeliness standard, if any, as well as any actual issuance patterns noted during the review.)

☐ ☐
Yes No

Describe Basis for Conclusion:

16.

Do the state’s procedures include reasonable means and criteria by which it makes the required determination that recipients have a continuing capacity to carry out CDBG programs? (Include in your response below a summary of the means and criteria used.)

☐ ☐
Yes No

[HCDA, Section 104(e)(1) & 104(e)(2)]

Describe Basis for Conclusion:

17.

Do the state's procedures include reasonable means and criteria by which it makes the required determination that recipients are carrying out activities in a timely manner? (Include in your response below a summary of the means and criteria used.) [HCDA, Section 104(e)(1) & 104(e)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

18.

Based on the review results, what is the average time between the monitoring visit and the letter? (Indicate the average time in your "Basis for Conclusion.")
Describe Basis for Conclusion:

19.

Are determinations regarding compliance – particularly findings of non-compliance—properly documented and supported in the state's monitoring files and described in its letters?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

20.

Has the state established specific remedies to resolve findings of noncompliance by grant recipients? [24 CFR 570.492(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

21.

Are the resolution actions requested/required of grant recipients appropriate for the nature of the deficiency and sufficient to resolve the noncompliance noted?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

22.

Does the state apply remedies for noncompliance consistently and fairly?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

23.

Does the state have a system for tracking findings until resolution?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

24.

Based on the review results, are findings resolved in a timely manner?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

25.

Does the state's process provide for the imposition of further sanctions on grant recipients that fail to demonstrate compliance or resolve issue of noncompliance noted? [24 CFR 570.492(b)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

a. Has the state actually imposed any sanctions on recipients that failed to comply with the requirements?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No

Describe Basis for Conclusion:	

b. If the answer to “a” above is “no,” explain why sanctions have not been imposed.

Describe Basis for Conclusion:

c. If the answer to “a” above is “yes,” identify the locality(ies), describe the compliance issue, and the sanction imposed.

Describe Basis for Conclusion:

d. If sanctions are imposed, does the state apply such sanctions consistently and fairly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

D. SUMMARY CONCLUSIONS

27.

Based on the results of your review of state files, does the state maintain adequate records to document that recipients are in compliance with the provisions of Title I and other applicable laws? [24 CFR 570.490]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

28.

Based on the results of your review, does the state make reviews and audits, including on-site reviews, of units of general local government as appropriate to meet the requirements of section 104(e)(2) of the Act? [24 CFR 570.492(a)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

<p>Based on the results of your review, in cases of noncompliance by units of general local government, does the state take appropriate actions to prevent a continuance of the deficiency, mitigate adverse affects, and prevent a recurrence? (Note that appropriate action specifically includes the establishment of remedies.)</p> <p>[24 CFR 570.492(b)]</p>	<div> <input type="checkbox"/> <input type="checkbox"/> </div> <div> Yes No </div>
<p>Describe Basis for Conclusion:</p>	

State: _____ **Reviewer** _____ **Date:** _____

Instructions: A sufficient sample of case files should be reviewed to determine how the state’s system is operating. Attach comments/explanation(s) to describe sampling method and support responses and conclusion. (Note: Reviewer should select sample method and size based on time and purpose, e.g., whether the state consistently implements its system; whether the risk analysis or other information indicates a certain activity should be reviewed.)

[illegible]

State Recipient Review Worksheet

Comments/explanation(s) of responses: